

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Priority Mail & First-Class Package Service
Contract 24 (MC2016-173)
Negotiated Service Agreement

Docket No. CP2016-252

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF
CHANGE IN PRICES PURSUANT TO AMENDMENT TO
PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 24

(September 7, 2017)

The Public Representative hereby provides comments pursuant to the Commission notice initiating this docket.¹ In that notice, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice to Amend Priority Mail & First-Class Package Service Contract 24.²

The Commission approved the original Priority Mail & First-Class Package Service Contract 24 in Order No. 3464.³ The Postal Service states that “prices under Priority Mail & First-Class Package Service Contract 24, in the above-captioned proceeding, have changed as contemplated by the contract’s terms.” Notice at 1. The Postal Service filed a redacted public version of the contract amendment and a non-redacted version of the contract amendment as a non-public document. The amendment is scheduled to become effective two business days after the Commission completes its review of the filing. Notice at 1.

¹ Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, August 31, 2017.

² Notice of United States Postal Service of Change in Prices Pursuant to Amendment to Priority Mail & First-Class Package Service Contract 24, August 30, 2017. (Notice)

³ Order Adding Priority Mail & First-Class Package Service Contract 24 to the Competitive Product List, August 15, 2016.

COMMENTS

The Public Representative has reviewed the amendment, the financial model, as well as the original Priority Mail & First-Class Package Service Contract 24. Based upon that review, the Public Representative concludes that the requested amendment for Priority Mail & First-Class Package Service Contract 24 will continue to generate sufficient revenue to cover costs and thereby satisfies the requirements of 39 U.S.C. § 3633(a).

Requirements of 39 U.S.C. § 3633. Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service. Based upon a review of the financial model, it appears that Priority Mail & First-Class Package Service Contract 24 should continue to generate sufficient revenues to cover costs during the next year. The Commission will have an opportunity to review the financial results for Priority Mail & First-Class Package Service Contract 24 as amended for compliance with 39 U.S.C. § 3633(a) in the Annual Compliance Determination.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

Gregory Stanton
Public Representative

901 New York Ave. NW
Washington, DC 20268-0001
202-789-6864
gregory.stanton@prc.gov